

FISCAL NOTE

SB 195 - HB 218

February 11, 2007

SUMMARY OF BILL: Requires health insurance entities to provide the same amount of coverage and reimbursement rates by a licensed chiropractor that is provided for like services by certain health care providers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$363,000

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$637,000

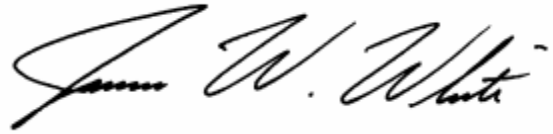
Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums which exceeds \$100,000 for plans that do not currently offer chiropractic services within the provisions of the proposed legislation.

Assumptions:

- Currently, the Bureau of TennCare provides coverage for chiropractic services as a cost effective alternative. The proposed legislation will require chiropractic services to be covered through the TennCare program.
- In FY 2005, the TennCare reimbursement totaled \$728,000 to 543 providers. It is estimated that the program will incur an increase in chiropractic services that which will result in an increase in expenditures which will exceed \$1,000,000 (\$363,050 in state funds and \$636,950 in federal funds at a 63.695% match rate).
- The Department of Commerce and Insurance will incur a not significant increase in state expenditures for the enforcement and administration of the provisions of the proposed legislation. Any increase can be absorbed within existing resources of the Department.
- The state sponsored plans presently provide benefits for treatment by chiropractors to the same extent and at reimbursement rates determined by current procedural terminology (CPT) codes as other providers.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director